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SIPDIS SENSITIVE

EEB/CIP FOR AMBASSADOR DAVID GROSS, ANNE JILLSON DEPARTMENT FOR FCC USDOC FOR 4322/ITA/MAC/OLAC/PEACHER

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TAGS: <u>ECON EINV PREL ECPS ITU OVIP TSPL TINT AR</u> SUBJECT: Argentina: Advocating U.S. Digital TV Standard

- 11. This is an action request. Please see para 7.
- 12. (SBU) SUMMARY. The Government of Argentina (GOA) is close to choosing the Japanese-Brazilian digital TV (DTV) standard as a result of a recently-signed bilateral trade, investment, and infrastructure joint declaration with the Government of Brazil (GOB), and meetings with Government of Japan (GOJ) ministers. Post is prepared to engage in what could be a last chance to advocate for the U.S. standard, but seeks an assurance of a coordinated industry support to delay or hopefully reverse any such decision. END SUMMARY.

Argentina and Brazil discuss digital TV standard

- 13. (SBU) Beginning in mid-August, Emboffs learned from local industry contacts that the GOA was in discussions with the GOB over the possible adoption of the Japanese-Brazilian DTV standard, which Brazil has already adopted, and is a competitor of the U.S.-South Korean standard (and which the Embassy has been actively advocating for the past several years). These reports were affirmed by subsequent press reports and Ambassador's conversation with Planning Minister De Vido. Last week in Brasilia, the GOA and GOB held a series of meetings that culminated in a joint declaration (septel) that they would seek to deepen cooperation in a series of trade, investment, and infrastructure initiatives. This declaration included a statement to have relevant ministries "hold regular meetings with the objective of exchanging technical and institutional information and exploring the mutual advantageous opportunities of a partnership for both countries in the issues of investment, equipment production, strengthening of the production integration, technological development, promotion of research and cooperation in the field of developing software, among other possibilities associated with the digital TV."
- 14. (SBU) On September 10, GOA Planning Minister Julio De Vido and Communications Secretary Lisandro Salas met with Japanese Vice Minister of Communications and Interior Akira Terasaki, reportedly to analyze the technical aspects of the Japanese norm, ISDB-T. Also in attendance were representatives from the Japanese firm NEC. While no announcement has been made, media reports continue to indicate that the GOA might soon select the Brazilian-Japanese standard.

ATSC Forum

- ¶5. (SBU) In mid-August, Emboffs contacted executives from the ATSC Forum, which represents companies that use the U.S.-South Korean standard. Emboffs advised them of these developments and proposed moving forward with an advocacy campaign to counter the recent GOB efforts, stressing that a decision could be imminent. The ATSC Forum did not immediately respond to our requests for guidance. These requests also came on the heels of the news that the Government of Colombia had decided to adopt the European standard. The Forum later responded that while all their previous commitments to provide an incentive package stood, they questioned the likelihood that the GOA would make a decision any time soon. Emboffs contacted ATSC executives again in early September, explaining the potential urgency of the matter, and suggested that opportunities for engagement, stressing again that the USG must take the lead from industry on advocacy issues. ATSC explained that they were planning a visit to Argentina in late October, in connection with a local conference, hoping that they could attract representatives from LG, Harris, and Dolby to perhaps do a series of advocacy visits with Minister De Vido and others. ATSC has also subsequently suggested trying to organize a meeting with Minister De Vido while he is in New York in late September to attend the opening of the United Nations General Assembly.
- 16. (SBU) In these conversations, ATSC representatives did reiterate that their 2006 proposal first presented to Minister De Vido still stood. This proposal includes an investment in a Argentine manufacturing plant for LG Plasma and LCD TV sets (which they claim would create 500 jobs), a 75% discount in patents (the money waived would go to a fund for R&D of HDTV in Argentina), a transfer of technology from patent holders exclusively to Argentina, and financing options for the transition from analog to digital for broadcasters.

Comment and action request

¶7. (SBU) Post is prepared to energetically re-engage its advocacy efforts in support of the US DTV standard. However, we seek assurances that the industry (companies and ATSC) is committed and prepared to conduct appropriate follow-up before we undertake any advocacy efforts. If the GOA is indeed getting close to a decision on a Japanese-Brazilian DTV standard, and as we have discussed with ATSC representatives, now could be the last chance for coordinated industry-USG action to delay or hopefully reverse any such decision. Emboffs remain engaged with ATSC reps and continue to try to persuade the association to indicate their willingness to conduct such follow up. Emboffs are also coordinating with ATSC reps in organizing a meeting between GOA officials and ATSC reps while the former are in New York in the coming days. We request that Washington officials ask the industry indicate its willingness to follow up with the GOA to support what could be the last chance to influence the GOA's decision on its future DTV standard. Washington agencies support and rapid action is much appreciated.

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